

**EXHIBIT F**

**(Projected Consolidated Financial Statements for Five Years ending December 31, 2012)**

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Consolidated Statements of Operations  
(in thousands of dollars)**

	<u>Actual 2007</u>	<u>Forecast 2008</u>	<u>Projected</u>			
			<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net sales	88,408	73,102	93,020	105,344	115,919	126,382
Cost of sales	<u>76,529</u>	<u>63,016</u>	<u>72,991</u>	<u>78,805</u>	<u>83,882</u>	<u>89,980</u>
Gross profit	11,879	10,086	20,029	26,539	32,037	36,402
Selling & administrative expense	<u>6,506</u>	<u>5,693</u>	<u>6,276</u>	<u>6,162</u>	<u>6,385</u>	<u>6,568</u>
Income from operations	<u>5,373</u>	<u>4,393</u>	<u>13,753</u>	<u>20,377</u>	<u>25,652</u>	<u>29,834</u>
Other income (expense):						
Interest expense	(11,507)	(8,913)	(3,379)	(1,889)	(1,101)	—
Interest income	68	96	—	—	130	530
Gain on sale of property	—	—	—	3,287	—	—
Discontinued operations	(189)	51	—	576	—	—
Reorganization expense	<u>(698)</u>	<u>(5,814)</u>	<u>(590)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Subtotal	<u>(12,326)</u>	<u>(14,580)</u>	<u>(3,969)</u>	<u>1,974</u>	<u>(971)</u>	<u>530</u>
Income (loss) before income taxes	(6,953)	(10,187)	9,784	22,351	24,681	30,364
Provision for income taxes	<u>6</u>	<u>40</u>	<u>1,000</u>	<u>4,300</u>	<u>6,000</u>	<u>8,300</u>
Net income (loss)	<u>(6,959)</u>	<u>(10,227)</u>	<u>8,784</u>	<u>18,051</u>	<u>18,681</u>	<u>22,064</u>
EBITDA (continuing operations):						
Income from operations	5,373	4,393	13,753	20,377	25,652	29,834
Depreciation	6,036	5,072	4,358	3,797	3,608	3,614
Amortization (operating only)	<u>401</u>	<u>262</u>	<u>169</u>	<u>430</u>	<u>192</u>	<u>141</u>
EBITDA	<u>11,810</u>	<u>9,727</u>	<u>18,280</u>	<u>24,604</u>	<u>29,452</u>	<u>33,589</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Consolidated Statements of Operations  
(expressed as a percent of net sales)**

	<u>Actual 2007</u>	<u>Forecast 2008</u>	<u>Projected</u>			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>		
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	<u>86.6</u>	<u>86.2</u>	<u>78.5</u>	<u>74.8</u>	<u>72.4</u>	<u>71.2</u>
Gross profit	13.4	13.8	21.5	25.2	27.6	28.8
Selling & administrative expense	<u>7.4</u>	<u>7.8</u>	<u>6.7</u>	<u>5.8</u>	<u>5.5</u>	<u>5.2</u>
Income from operations	<u>6.1</u>	<u>6.0</u>	<u>14.8</u>	<u>19.3</u>	<u>22.1</u>	<u>23.6</u>
Other income (expense):						
Interest expense	(13.0)	(12.2)	(3.6)	(1.8)	(0.9)	0.0
Interest income	0.1	0.1	0.0	0.0	0.1	0.4
Gain on sale of property	0.0	0.0	0.0	3.1	0.0	0.0
Discontinued operations	(0.2)	0.1	0.0	0.5	0.0	0.0
Reorganization expense	<u>(0.8)</u>	<u>(8.0)</u>	<u>(0.6)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	<u>(13.9)</u>	<u>(19.9)</u>	<u>(4.3)</u>	<u>1.9</u>	<u>(0.8)</u>	<u>0.4</u>
Income (loss) before income taxes	(7.9)	(13.9)	10.5	21.2	21.3	24.0
Income taxes	<u>0.0</u>	<u>0.1</u>	<u>1.1</u>	<u>4.1</u>	<u>5.2</u>	<u>6.6</u>
Net income (loss)	<u>(7.9) %</u>	<u>(14.0) %</u>	<u>9.4 %</u>	<u>17.1 %</u>	<u>16.1 %</u>	<u>17.5 %</u>
EBITDA:						
Income from operations	6.1 %	6.0 %	14.8 %	19.3 %	22.1 %	23.6 %
Depreciation	6.8	6.9	4.7	3.6	3.1	2.9
Amortization (operating only)	<u>0.5</u>	<u>0.4</u>	<u>0.2</u>	<u>0.4</u>	<u>0.2</u>	<u>0.1</u>
EBITDA	<u>13.4 %</u>	<u>13.3 %</u>	<u>19.7 %</u>	<u>23.4 %</u>	<u>25.4 %</u>	<u>26.6 %</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Consolidated Statements of Cash Flows  
(in thousands of dollars)**

	Actual 2007	Forecast 2008	Projected			
			2009	2010	2011	2012
Income from operations	5,373	4,393	13,753	20,377	25,652	29,834
Depreciation	6,036	5,072	4,358	3,797	3,608	3,614
Amortization (operating only), net	401	262	169	430	192	141
EBITDA	11,810	9,727	18,280	24,604	29,452	33,589
Changes in operating working capital accounts:						
Accounts receivable, net	(1,256)	3,833	(3,814)	(4,365)	(1,583)	(1,604)
Inventories	(543)	(1,990)	2,509	(1,629)	(1,223)	(1,134)
Prepaid expenses	(287)	(155)	413	(536)	(151)	(92)
Other current assets	328	(451)	461	24	—	—
Accounts payable	188	536	4,298	1,581	362	635
Accrued expenses	147	(29)	(276)	(68)	84	185
Net change in operating working capital	(1,423)	1,744	3,591	(4,993)	(2,511)	(2,010)
Capital expenditures	(2,664)	(2,971)	(3,580)	(5,010)	(3,708)	(3,927)
Sales of P & E, excl. gains or losses on sales	—	22	2,785	4,500	—	—
Other assets	(184)	(318)	(374)	(325)	(200)	(200)
Post-retirement liability, excl. current portion	(2)	17	(7)	(30)	(30)	(30)
Other long-term liabilities	101	11	170	111	95	50
Cash provided (used) by discontinued operations	(17)	184	26	1,698	—	—
Net cash provided (used)	7,621	8,416	20,891	20,555	23,098	27,472
Nonoperating profit (loss) incl. income tax expense	(12,211)	(14,671)	(4,969)	(6,189)	(6,971)	(7,770)
Amortization of deferred financing costs	1,249	251	160	200	440	—
Deferred financing charges	(1,286)	(214)	(800)	—	—	—
Income taxes payable, net	(4)	43	—	—	—	—
Accrued interest	5,824	5,488	789	(93)	(71)	—
Accrued reorganization expense	—	1,052	(1,062)	—	—	—
Term loans	(3,279)	697	(6,789)	(12,716)	(10,073)	—
Revolving line of credit	2,263	3,587	(12,831)	(1,388)	—	—
Net cash flow	177	4,649	(4,611)	369	6,423	19,702
Add cash on hand at beginning of period	35	212	4,861	250	619	7,042
Cash on hand at end of period	212	4,861	250	619	7,042	26,744
Net cash transferred to (from) corporate	—	—	—	—	—	—

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Consolidated Balance Sheets  
(in thousands of dollars)**

	<u>Actual</u> <u>12/31/07</u>	<u>Forecast</u> <u>12/31/08</u>	<u>Projected</u>			
			<u>12/31/09</u>	<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/12</u>
<b>Assets:</b>						
Current assets:						
Cash	212	4,861	250	619	7,042	26,744
Marketable securities	214	116	116	116	116	116
Trade receivables, net	10,981	7,148	10,962	15,327	16,910	18,514
Inventories	9,330	11,320	8,811	10,440	11,663	12,797
Prepaid expenses	926	1,081	668	1,204	1,355	1,447
Deferred income taxes	98	98	98	98	98	98
Other current assets	106	557	96	72	72	72
Current assets of discontinued operations	10	5	—	—	—	—
Total current assets	<u>21,877</u>	<u>25,186</u>	<u>21,001</u>	<u>27,876</u>	<u>37,256</u>	<u>59,788</u>
Plant & equipment						
Land	1,817	2,254	2,108	895	895	895
Buildings	13,370	13,392	10,787	10,787	10,787	10,787
Machinery & equipment	<u>110,723</u>	<u>112,105</u>	<u>94,761</u>	<u>99,771</u>	<u>103,479</u>	<u>107,406</u>
	125,910	127,751	107,656	111,453	115,161	119,088
Accumulated depreciation	<u>105,056</u>	<u>109,020</u>	<u>92,488</u>	<u>96,285</u>	<u>99,893</u>	<u>103,507</u>
Plant & equipment, net	<u>20,854</u>	<u>18,731</u>	<u>15,168</u>	<u>15,168</u>	<u>15,268</u>	<u>15,581</u>
Plant & equipment of discontinued operations	<u>1,338</u>	<u>1,230</u>	<u>1,122</u>	<u>—</u>	<u>—</u>	<u>—</u>
Goodwill	<u>7,623</u>	<u>7,623</u>	<u>7,623</u>	<u>7,623</u>	<u>7,623</u>	<u>7,623</u>
Deferred financing expenses	<u>37</u>	<u>—</u>	<u>640</u>	<u>440</u>	<u>—</u>	<u>—</u>
Other assets	<u>638</u>	<u>610</u>	<u>714</u>	<u>512</u>	<u>409</u>	<u>378</u>
	<u>52,367</u>	<u>53,380</u>	<u>46,268</u>	<u>51,619</u>	<u>60,556</u>	<u>83,370</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Consolidated Balance Sheets (cont.)  
(in thousands of dollars)**

	Actual 12/31/07	Forecast 12/31/08	Projected			
			12/31/09	12/31/10	12/31/11	12/31/12
<b>Liabilities &amp; Stockholders' Equity (Deficit):</b>						
Current liabilities:						
Accounts payable	6,558	7,607	6,029	7,610	7,972	8,607
Accrued income taxes	(43)	—	—	—	—	—
Accrued interest expense	7,954	13,442	164	71	—	—
Accrued expenses excl. interest and income taxes	3,975	4,485	3,591	3,523	3,607	3,792
Short-term debt	10,632	14,219	1,388	—	—	—
Current portion of long-term debt	58,454	59,156	6,628	3,456	—	—
Current liabilities of discontinued operations	241	261	—	—	—	—
Total current liabilities	<u>87,771</u>	<u>99,170</u>	<u>17,800</u>	<u>14,660</u>	<u>11,579</u>	<u>12,399</u>
Long-term debt, net of current portion	<u>5</u>	<u>—</u>	<u>16,161</u>	<u>6,617</u>	<u>—</u>	<u>—</u>
Long-term portion of post-retirement obligation	<u>258</u>	<u>275</u>	<u>268</u>	<u>238</u>	<u>208</u>	<u>178</u>
Other long-term liabilities	<u>176</u>	<u>89</u>	<u>144</u>	<u>151</u>	<u>129</u>	<u>83</u>
Deferred income taxes	<u>98</u>	<u>98</u>	<u>98</u>	<u>98</u>	<u>98</u>	<u>98</u>
Stockholders' equity (deficit):						
Common stock	1,238	1,242	1,242	1,247	1,249	1,251
Additional paid-in-capital	13,187	13,197	62,462	62,464	62,468	62,472
Accumulated income (deficit)	<u>(50,366)</u>	<u>(60,691)</u>	<u>(51,907)</u>	<u>(33,856)</u>	<u>(15,175)</u>	<u>6,889</u>
Stockholders' equity (deficit)	<u>(35,941)</u>	<u>(46,252)</u>	<u>11,797</u>	<u>29,855</u>	<u>48,542</u>	<u>70,612</u>
	<u>52,367</u>	<u>53,380</u>	<u>46,268</u>	<u>51,619</u>	<u>60,556</u>	<u>83,370</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Consolidating Outstanding Debt  
(in thousands of dollars)**

	<b>Actual</b>	<b>Forecast</b>	<b>Projected</b>			
	<b>12/31/07</b>	<b>12/31/08</b>	<b>12/31/09</b>	<b>12/31/10</b>	<b>12/31/11</b>	<b>12/31/12</b>
Revolving loans	10,632	14,219	1,388	—	—	—
Equipment term loan	9,167	6,667	—	—	—	—
New equipment term loan	—	—	7,235	4,901	—	—
Real estate term loan A	10,022	9,289	—	—	—	—
Real estate term loan B	4,000	4,000	—	—	—	—
New real estate term loan	—	—	8,830	—	—	—
Second lien secured note	—	—	—	—	—	—
Debtor-in-possession note	—	4,000	—	—	—	—
Investor loan	—	—	4,000	4,000	—	—
Retirement obligations	6	—	—	—	—	—
General unsecured claims	—	—	2,724	1,172	—	—
12% Senior Subordinated Notes due July 31, 2009	34,177	34,177	—	—	—	—
12% Senior Subordinated Notes due December 31, 2013	—	—	—	—	—	—
13% Junior Subordinated Note	347	347	—	—	—	—
Redeemable preferred stock	660	660	—	—	—	—
Other	80	16	—	—	—	—
Total debt	<u>69,091</u>	<u>73,375</u>	<u>24,177</u>	<u>10,073</u>	<u>—</u>	<u>—</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Rubber Group Statements of Operations  
(in thousands of dollars)**

	<u>Actual 2007</u>	<u>Forecast 2008</u>	<u>Projected</u>			
			<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net sales	74,587	62,383	75,986	78,407	86,413	93,419
Cost of sales	<u>63,039</u>	<u>52,151</u>	<u>57,208</u>	<u>55,401</u>	<u>58,862</u>	<u>62,837</u>
Gross profit	11,548	10,232	18,778	23,006	27,551	30,582
Selling & administrative expense	<u>3,573</u>	<u>2,882</u>	<u>3,107</u>	<u>2,784</u>	<u>2,853</u>	<u>2,919</u>
Income from operations	<u>7,975</u>	<u>7,350</u>	<u>15,671</u>	<u>20,222</u>	<u>24,698</u>	<u>27,663</u>
EBITDA:						
Income from operations	7,975	7,350	15,671	20,222	24,698	27,663
Depreciation	5,335	4,499	3,762	3,105	2,722	2,637
Amortization (operating only)	<u>392</u>	<u>248</u>	<u>155</u>	<u>423</u>	<u>186</u>	<u>135</u>
EBITDA	<u>13,702</u>	<u>12,097</u>	<u>19,588</u>	<u>23,750</u>	<u>27,606</u>	<u>30,435</u>



**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Rubber Group Statements of Operations  
(expressed as a percent of net sales)**

	<u>Actual 2007</u>	<u>Forecast 2008</u>	<u>Projected</u>			
			<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	<u>84.5</u>	<u>83.6</u>	<u>75.3</u>	<u>70.7</u>	<u>68.1</u>	<u>67.3</u>
Gross profit	15.5	16.4	24.7	29.3	31.9	32.7
Selling & administrative expense	<u>4.8</u>	<u>4.6</u>	<u>4.1</u>	<u>3.6</u>	<u>3.3</u>	<u>3.1</u>
Income from operations	<u>10.7 %</u>	<u>11.8 %</u>	<u>20.6 %</u>	<u>25.8 %</u>	<u>28.6 %</u>	<u>29.6 %</u>
EBITDA:						
Income from operations	10.7 %	11.8 %	20.6 %	25.8 %	28.6 %	29.6 %
Depreciation	7.2	7.2	5.0	4.0	3.1	2.8
Amortization (operating only)	<u>0.5</u>	<u>0.4</u>	<u>0.2</u>	<u>0.5</u>	<u>0.2</u>	<u>0.1</u>
EBITDA	<u>18.4 %</u>	<u>19.4 %</u>	<u>25.8 %</u>	<u>30.3 %</u>	<u>31.9 %</u>	<u>32.6 %</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Rubber Group Statements of Cash Flows  
(in thousands of dollars)**

	<b>Actual 2007</b>	<b>Forecast 2008</b>	<b>Projected</b>			
			<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Income from operations	7,975	7,350	15,671	20,222	24,698	27,663
Depreciation	5,335	4,499	3,762	3,105	2,722	2,637
Amortization (operating only)	392	248	155	423	186	135
EBITDA	<u>13,702</u>	<u>12,097</u>	<u>19,588</u>	<u>23,750</u>	<u>27,606</u>	<u>30,435</u>
Changes in operating working capital accounts:						
Accounts receivable, net	(728)	3,096	(1,844)	(2,474)	(1,092)	(944)
Inventories	(288)	(1,401)	2,665	(924)	(676)	(606)
Prepaid expenses	(20)	(203)	324	(270)	(77)	(64)
Other current assets	430	(548)	358	24	—	—
Accounts payable	177	841	(1,355)	805	404	377
Accrued expenses	(91)	423	(433)	279	115	92
Net change in operating working capital	<u>(520)</u>	<u>2,208</u>	<u>(285)</u>	<u>(2,560)</u>	<u>(1,326)</u>	<u>(1,145)</u>
Capital expenditures	<u>(2,068)</u>	<u>(2,507)</u>	<u>(2,378)</u>	<u>(3,000)</u>	<u>(2,698)</u>	<u>(2,417)</u>
Sales of P & E, excl. gains or losses on sales	<u>—</u>	<u>—</u>	<u>2,785</u>	<u>4,500</u>	<u>—</u>	<u>—</u>
Other assets	<u>(337)</u>	<u>(347)</u>	<u>(374)</u>	<u>(325)</u>	<u>(200)</u>	<u>(200)</u>
Post-retirement liability, excl. current portion	<u>(12)</u>	<u>—</u>	<u>—</u>	<u>(20)</u>	<u>(20)</u>	<u>(20)</u>
Other long-term liabilities	<u>101</u>	<u>11</u>	<u>170</u>	<u>111</u>	<u>95</u>	<u>50</u>
Net cash provided (used)	<u>10,866</u>	<u>11,462</u>	<u>19,506</u>	<u>22,456</u>	<u>23,457</u>	<u>26,703</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Rubber Group Balance Sheets  
(in thousands of dollars)**

	Actual 12/31/07	Forecast 12/31/08	Projected			
			12/31/09	12/31/10	12/31/11	12/31/12
<b>Assets:</b>						
Current assets:						
Cash	51	50	50	54	54	54
Trade receivables, net	8,961	5,865	7,709	10,183	11,275	12,219
Inventories	7,268	8,669	6,004	6,928	7,604	8,210
Prepaid expenses	646	849	525	795	872	936
Other current assets	(94)	454	96	72	72	72
Total current assets	<u>16,832</u>	<u>15,887</u>	<u>14,384</u>	<u>18,032</u>	<u>19,877</u>	<u>21,491</u>
Plant & equipment						
Land	1,696	2,133	1,987	774	774	774
Buildings	11,012	11,031	8,426	8,426	8,426	8,426
Machinery & equipment	<u>85,356</u>	<u>86,717</u>	<u>68,173</u>	<u>71,173</u>	<u>73,871</u>	<u>76,288</u>
	98,064	99,881	78,586	80,373	83,071	85,488
Accumulated depreciation	<u>80,780</u>	<u>84,589</u>	<u>67,463</u>	<u>70,568</u>	<u>73,290</u>	<u>75,927</u>
Plant & equipment, net	<u>17,284</u>	<u>15,292</u>	<u>11,123</u>	<u>9,805</u>	<u>9,781</u>	<u>9,561</u>
Goodwill	<u>7,623</u>	<u>7,623</u>	<u>7,623</u>	<u>7,623</u>	<u>7,623</u>	<u>7,623</u>
Other assets	<u>497</u>	<u>498</u>	<u>602</u>	<u>400</u>	<u>297</u>	<u>266</u>
	<u>42,236</u>	<u>39,300</u>	<u>33,732</u>	<u>35,860</u>	<u>37,578</u>	<u>38,941</u>
<b>Liabilities &amp; Invested Capital:</b>						
Current liabilities:						
Accounts payable	4,353	5,194	3,839	4,644	5,048	5,425
Accrued operating expenses	<u>2,138</u>	<u>2,561</u>	<u>1,584</u>	<u>1,863</u>	<u>1,978</u>	<u>2,070</u>
Total current liabilities	<u>6,491</u>	<u>7,755</u>	<u>5,423</u>	<u>6,507</u>	<u>7,026</u>	<u>7,495</u>
Long-term portion of post-retirement obligation	<u>170</u>	<u>170</u>	<u>170</u>	<u>150</u>	<u>130</u>	<u>110</u>
Other long-term liabilities	<u>176</u>	<u>89</u>	<u>144</u>	<u>151</u>	<u>129</u>	<u>83</u>
Invested capital	<u>35,399</u>	<u>31,286</u>	<u>27,995</u>	<u>29,052</u>	<u>30,293</u>	<u>31,253</u>
	<u>42,236</u>	<u>39,300</u>	<u>33,732</u>	<u>35,860</u>	<u>37,578</u>	<u>38,941</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Metals Group Statements of Operations  
(in thousands of dollars)**

	<u>Actual 2007</u>	<u>Forecast 2008</u>	<u>Projected</u>			
			<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net product sales	13,821	10,719	17,034	26,937	29,506	32,963
Cost of product sales	<u>13,490</u>	<u>10,865</u>	<u>15,783</u>	<u>23,404</u>	<u>25,020</u>	<u>27,143</u>
Gross profit	331	(146)	1,251	3,533	4,486	5,820
Selling & administrative expense	<u>523</u>	<u>534</u>	<u>582</u>	<u>739</u>	<u>840</u>	<u>904</u>
Income (loss) from operations	<u>(192)</u>	<u>(680)</u>	<u>669</u>	<u>2,794</u>	<u>3,646</u>	<u>4,916</u>
EBITDA:						
Income (loss) from operations	(192)	(680)	669	2,794	3,646	4,916
Depreciation	682	538	562	666	871	962
Amortization (operating only)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EBITDA	<u>490</u>	<u>(142)</u>	<u>1,231</u>	<u>3,460</u>	<u>4,517</u>	<u>5,878</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Metals Group Statements of Operations  
(expressed as a percent of net sales)**

	<u>Actual 2007</u>	<u>Forecast 2008</u>	<u>Projected</u>			
			<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	<u>97.6</u>	<u>101.4</u>	<u>92.7</u>	<u>86.9</u>	<u>84.8</u>	<u>82.3</u>
Gross profit	2.4	(1.4)	7.3	13.1	15.2	17.7
Selling & administrative expense	<u>3.8</u>	<u>5.0</u>	<u>3.4</u>	<u>2.7</u>	<u>2.8</u>	<u>2.7</u>
Income (loss) from operations	<u>(1.4) %</u>	<u>(6.3) %</u>	<u>3.9 %</u>	<u>10.4 %</u>	<u>12.4 %</u>	<u>14.9 %</u>
EBITDA:						
Income (loss) from operations	(1.4) %	(6.3) %	3.9 %	10.4 %	12.4 %	14.9 %
Depreciation	4.9	5.0	3.3	2.5	3.0	2.9
Amortization (operating only)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
EBITDA	<u>3.5 %</u>	<u>(1.3) %</u>	<u>7.2 %</u>	<u>12.8 %</u>	<u>15.3 %</u>	<u>17.8 %</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Metals Group Statements of Cash Flows  
(in thousands of dollars)**

	<b>Actual 2007</b>	<b>Forecast 2008</b>	<b>Projected</b>			
			<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Income (loss) from operations	(192)	(680)	669	2,794	3,646	4,916
Depreciation	682	538	562	666	871	962
Amortization (operating only)	—	—	—	—	—	—
EBITDA	<u>490</u>	<u>(142)</u>	<u>1,231</u>	<u>3,460</u>	<u>4,517</u>	<u>5,878</u>
Changes in operating working capital accounts:						
Accounts receivable, net	(401)	737	(1,970)	(1,891)	(491)	(660)
Inventories	(255)	(589)	(156)	(705)	(547)	(528)
Prepaid expenses	(67)	35	31	(82)	(24)	(28)
Other current assets	38	(103)	103	—	—	—
Accounts payable	469	(211)	300	626	(42)	258
Accrued expenses	41	107	30	240	69	93
Net change in operating working capital	<u>(175)</u>	<u>(24)</u>	<u>(1,662)</u>	<u>(1,812)</u>	<u>(1,035)</u>	<u>(865)</u>
Capital expenditures	<u>(519)</u>	<u>(446)</u>	<u>(1,209)</u>	<u>(2,000)</u>	<u>(1,000)</u>	<u>(1,500)</u>
Sales of P & E, excl. gains or losses on sales	<u>—</u>	<u>22</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other assets	<u>(61)</u>	<u>29</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Post-retirement liability, excl. current portion	<u>10</u>	<u>17</u>	<u>(7)</u>	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>
Net cash provided (used)	<u>(255)</u>	<u>(544)</u>	<u>(1,647)</u>	<u>(362)</u>	<u>2,472</u>	<u>3,503</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Metals Group Balance Sheets  
(in thousands of dollars)**

	<b>Actual</b>	<b>Forecast</b>	<b>Projected</b>			
	<b>12/31/07</b>	<b>12/31/08</b>	<b>12/31/09</b>	<b>12/31/10</b>	<b>12/31/11</b>	<b>12/31/12</b>
<b>Assets:</b>						
Current assets:						
Cash	1	4	4	4	4	4
Trade receivables, net	2,020	1,283	3,253	5,144	5,635	6,295
Inventories	2,062	2,651	2,807	3,512	4,059	4,587
Prepaid expenses	343	308	277	359	383	411
Other current assets	—	103	—	—	—	—
Total current assets	<u>4,426</u>	<u>4,349</u>	<u>6,341</u>	<u>9,019</u>	<u>10,081</u>	<u>11,297</u>
Plant & equipment						
Land	121	121	121	121	121	121
Buildings	2,325	2,325	2,325	2,325	2,325	2,325
Machinery & equipment	<u>25,280</u>	<u>25,288</u>	<u>26,497</u>	<u>28,497</u>	<u>29,497</u>	<u>30,997</u>
	<u>27,726</u>	<u>27,734</u>	<u>28,943</u>	<u>30,943</u>	<u>31,943</u>	<u>33,443</u>
Accumulated depreciation	<u>24,251</u>	<u>24,373</u>	<u>24,935</u>	<u>25,601</u>	<u>26,472</u>	<u>27,434</u>
Plant & equipment, net	<u>3,475</u>	<u>3,361</u>	<u>4,008</u>	<u>5,342</u>	<u>5,471</u>	<u>6,009</u>
Other assets	<u>62</u>	<u>33</u>	<u>33</u>	<u>33</u>	<u>33</u>	<u>33</u>
	<u><u>7,963</u></u>	<u><u>7,743</u></u>	<u><u>10,382</u></u>	<u><u>14,394</u></u>	<u><u>15,585</u></u>	<u><u>17,339</u></u>
<b>Liabilities &amp; Invested Capital:</b>						
Current liabilities:						
Accounts payable	1,538	1,327	1,627	2,253	2,211	2,469
Accrued operating expenses	<u>433</u>	<u>540</u>	<u>570</u>	<u>810</u>	<u>879</u>	<u>972</u>
Total current liabilities	<u>1,971</u>	<u>1,867</u>	<u>2,197</u>	<u>3,063</u>	<u>3,090</u>	<u>3,441</u>
Long-term portion of post-retirement obligation	<u>88</u>	<u>105</u>	<u>98</u>	<u>88</u>	<u>78</u>	<u>68</u>
Invested capital	<u>5,904</u>	<u>5,771</u>	<u>8,087</u>	<u>11,243</u>	<u>12,417</u>	<u>13,830</u>
	<u><u>7,963</u></u>	<u><u>7,743</u></u>	<u><u>10,382</u></u>	<u><u>14,394</u></u>	<u><u>15,585</u></u>	<u><u>17,339</u></u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Corporate Office Statements of Operations  
(in thousands of dollars)**

	<u>Actual 2007</u>	<u>Forecast 2008</u>	<u>Projected</u>			
			<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net sales	—	—	—	—	—	—
Cost of sales	—	—	—	—	—	—
Gross profit from operations	—	—	—	—	—	—
Selling & administrative expense	<u>2,410</u>	<u>2,277</u>	<u>2,587</u>	<u>2,639</u>	<u>2,692</u>	<u>2,745</u>
Loss from operations	<u>(2,410)</u>	<u>(2,277)</u>	<u>(2,587)</u>	<u>(2,639)</u>	<u>(2,692)</u>	<u>(2,745)</u>
EBITDA:						
Loss from operations	(2,410)	(2,277)	(2,587)	(2,639)	(2,692)	(2,745)
Depreciation	19	35	34	26	15	15
Amortization (operating only)	<u>9</u>	<u>14</u>	<u>14</u>	<u>7</u>	<u>6</u>	<u>6</u>
EBITDA	<u>(2,382)</u>	<u>(2,228)</u>	<u>(2,539)</u>	<u>(2,606)</u>	<u>(2,671)</u>	<u>(2,724)</u>



**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Corporate Office Statements of Operations  
(expressed as a percent of net sales)**

	<u>Actual 2007</u>	<u>Forecast 2008</u>	<u>Projected</u>			
			<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net sales	— %	— %	— %	— %	— %	— %
Cost of sales	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Gross profit from operations	—	—	—	—	—	—
Selling & administrative expense	<u>2.7</u>	<u>3.1</u>	<u>2.8</u>	<u>2.5</u>	<u>2.3</u>	<u>2.2</u>
Loss from operations	<u>(2.7) %</u>	<u>(3.1) %</u>	<u>(2.8) %</u>	<u>(2.5) %</u>	<u>(2.3) %</u>	<u>(2.2) %</u>
EBITDA:						
Loss from operations	(2.7) %	(3.1) %	(2.8) %	(2.5) %	(2.3) %	(2.2) %
Depreciation	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Amortization (operating only)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
EBITDA	<u>(2.7) %</u>	<u>(3.1) %</u>	<u>(2.8) %</u>	<u>(2.5) %</u>	<u>(2.3) %</u>	<u>(2.2) %</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Corporate Office Statements of Cash Flows  
(in thousands of dollars)**

	Actual 2007	Forecast 2008	Projected			
			2009	2010	2011	2012
Loss from operations	(2,410)	(2,277)	(2,587)	(2,639)	(2,692)	(2,745)
Depreciation	19	35	34	26	15	15
Amortization (operating only)	9	14	14	7	6	6
EBITDA	<u>(2,382)</u>	<u>(2,228)</u>	<u>(2,539)</u>	<u>(2,606)</u>	<u>(2,671)</u>	<u>(2,724)</u>
Changes in operating working capital accounts:						
Accounts receivable, net	(127)	—	—	—	—	—
Prepaid expenses	(200)	13	58	(184)	(50)	—
Other current assets	(140)	200	—	—	—	—
Accounts payable	(458)	(94)	5,353	150	—	—
Accrued expenses	197	(559)	127	(587)	(100)	—
Net change in operating working capital	<u>(728)</u>	<u>(440)</u>	<u>5,538</u>	<u>(621)</u>	<u>(150)</u>	<u>—</u>
Capital expenditures	<u>(77)</u>	<u>(18)</u>	<u>7</u>	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>
Other assets	<u>214</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Discontinued operations	<u>(87)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net cash provided (used)	(3,060)	(2,686)	3,006	(3,237)	(2,831)	(2,734)
Nonoperating loss incl. income tax expense	(12,211)	(14,671)	(4,969)	(6,189)	(6,971)	(7,770)
Amortization of deferred financing costs	1,249	251	160	200	440	—
Deferred financing charges	(1,286)	(214)	(800)	—	—	—
Income taxes payable, net	(4)	43	—	—	—	—
Accrued interest	5,824	5,488	789	(93)	(71)	—
Accrued reorganization expense	—	1,052	(1,062)	—	—	—
Term loans	(3,279)	697	(6,789)	(12,716)	(10,073)	—
Revolving line of credit	<u>2,263</u>	<u>3,587</u>	<u>(12,831)</u>	<u>(1,388)</u>	<u>—</u>	<u>—</u>
Net cash flow	(10,504)	(6,453)	(22,496)	(23,423)	(19,506)	(10,504)
Add cash on hand at beginning of period	(17)	160	4,807	196	561	6,984
Less cash on hand at end of period	<u>160</u>	<u>4,807</u>	<u>196</u>	<u>561</u>	<u>6,984</u>	<u>26,686</u>
Net cash transferred to (from) corporate	<u>(10,681)</u>	<u>(11,100)</u>	<u>(17,885)</u>	<u>(23,788)</u>	<u>(25,929)</u>	<u>(30,206)</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Corporate Office Balance Sheets  
(in thousands of dollars)**

	<u>Actual</u> <u>12/31/07</u>	<u>Forecast</u> <u>12/31/08</u>	<u>Projected</u>			
			<u>12/31/09</u>	<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/12</u>
<b>Assets:</b>						
Current assets:						
Cash	160	4,807	196	561	6,984	26,686
Marketable securities	214	116	116	116	116	116
Trade receivables, net	—	—	—	—	—	—
Inventories	—	—	—	—	—	—
Prepaid expenses	(63)	(76)	(134)	50	100	100
Deferred income taxes	98	98	98	98	98	98
Other current assets	200	—	—	—	—	—
Total current assets	<u>609</u>	<u>4,945</u>	<u>276</u>	<u>825</u>	<u>7,298</u>	<u>27,000</u>
Plant & equipment						
Land	—	—	—	—	—	—
Buildings	33	36	36	36	36	36
Machinery & equipment	87	100	91	101	111	121
	<u>120</u>	<u>136</u>	<u>127</u>	<u>137</u>	<u>147</u>	<u>157</u>
Accumulated depreciation	25	58	90	116	131	146
Plant & equipment, net	<u>95</u>	<u>78</u>	<u>37</u>	<u>21</u>	<u>16</u>	<u>11</u>
Deferred financing expenses	<u>37</u>	<u>—</u>	<u>640</u>	<u>440</u>	<u>—</u>	<u>—</u>
Other assets	<u>79</u>	<u>79</u>	<u>79</u>	<u>79</u>	<u>79</u>	<u>79</u>
	<u>820</u>	<u>5,102</u>	<u>1,032</u>	<u>1,365</u>	<u>7,393</u>	<u>27,090</u>

**LEXINGTON PRECISION CORPORATION  
AND SUBSIDIARY**

**Corporate Office Balance Sheets (cont.)  
(in thousands of dollars)**

	<u>Actual 12/31/07</u>	<u>Forecast 12/31/08</u>	<u>Projected</u>			
			<u>12/31/09</u>	<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/12</u>
<b>Liabilities &amp; Stockholders' Equity (Deficit):</b>						
Current liabilities:						
Accounts payable	667	1,086	563	713	6,984	26,686
Accrued income taxes	(43)	—	—	—	—	—
Accrued interest expense	7,954	13,442	164	71	—	—
Accrued expenses excl. interest and income taxes	1,404	1,384	1,437	850	750	750
Short-term debt	10,632	14,219	1,388	—	—	—
Current portion of long-term debt	58,454	59,156	6,628	3,456	—	—
Total current liabilities	<u>79,068</u>	<u>89,287</u>	<u>10,180</u>	<u>5,090</u>	<u>7,734</u>	<u>27,436</u>
Long-term debt, net of current portion	<u>5</u>	<u>—</u>	<u>16,161</u>	<u>6,617</u>	<u>—</u>	<u>—</u>
Deferred income taxes	<u>98</u>	<u>98</u>	<u>98</u>	<u>98</u>	<u>98</u>	<u>98</u>
Intercompany	<u>(42,410)</u>	<u>(38,031)</u>	<u>(37,204)</u>	<u>(40,295)</u>	<u>(48,981)</u>	<u>(71,056)</u>
Stockholders' equity (deficit):						
Common stock	1,238	1,242	1,242	1,247	1,249	1,251
Add'l paid-in-capital	13,187	13,197	62,462	62,464	62,468	62,472
Accumulated deficit	<u>(50,366)</u>	<u>(60,691)</u>	<u>(51,907)</u>	<u>(33,856)</u>	<u>(15,175)</u>	<u>6,889</u>
Stockholders' equity (deficit)	<u>(35,941)</u>	<u>(46,252)</u>	<u>11,797</u>	<u>29,855</u>	<u>48,542</u>	<u>70,612</u>
	<u>820</u>	<u>5,102</u>	<u>1,032</u>	<u>1,365</u>	<u>7,393</u>	<u>27,090</u>